

Public Money & Management

ISSN: 0954-0962 (Print) 1467-9302 (Online) Journal homepage: <https://www.tandfonline.com/loi/rpmm20>

Editorial

Guest editors: Bert George, Anne Drumaux, Paul Joyce and Francesco Longo

Bert George, Anne Drumaux, Paul Joyce & Francesco Longo

To cite this article: Bert George, Anne Drumaux, Paul Joyce & Francesco Longo (2020) Editorial, Public Money & Management, 40:4, 255-259, DOI: [10.1080/09540962.2020.1728055](https://doi.org/10.1080/09540962.2020.1728055)

To link to this article: <https://doi.org/10.1080/09540962.2020.1728055>



Published online: 30 Mar 2020.



Submit your article to this journal [↗](#)



View related articles [↗](#)



View Crossmark data [↗](#)



Theme: Strategic planning that works—evidence from the European public sector

Guest editors: Bert George, Anne Drumaux, Paul Joyce and Francesco Longo

Editorial

Bert George^a, Anne Drumaux^b, Paul Joyce^c and Francesco Longo^d

^aGhent University, Belgium; ^bSolvay Brussels School of Economics & Management, Belgium; ^cUniversity of Birmingham, UK; ^dBocconi University, Italy

Evaluating the effectiveness of strategic planning

Over a 10-year period, the Permanent Study Group on Strategic Management in Government, set up by the European Group for Public Administration (EGPA) in 2009, has encouraged research and discussion on the realities of strategic planning in practice and its consequences. A recurring issue in the group's discussions of research on the consequences of strategic planning has been whether, based on the available evidence, strategic planning can be said to work. Out of this experience and endeavour came the proposal for this special theme of *Public Money & Management*. Our theme issue includes seven contributions that we hope will contribute towards a more concrete understanding of strategic planning in practice and that we think moves us closer to answering the question:

How and why can strategic planning be (in)effective within a specific public context?

There is some evidence that strategic planning exists in many public sector organizations in many different countries. One illustration of this is the recent COCOPS Executive Survey on Public Sector Reform in Europe, which collected data from 10 European countries. The survey found that business or strategic planning was widely used in public sector organizations (Hammerschmid et al., 2013). In some countries, public administrators are required by law to produce strategic plans (for example at the federal level in the USA, at all levels of government in the Russian Federation, and at all levels of government in Turkey). But, even where they are not required by law, strategic plans are encouraged by best practice ideas in public governance. The use of long-term strategic visions and strategic plans are at the heart

of new ideas about how to improve the effectiveness of public governance (see OECD, 2013).

Evidence from empirical research

A number of published research studies has shown, first, that individual public sector managers often feel strategic planning has a range of benefits for them (see Flynn & Talbot, 1996); and, second, that strategic planning makes a positive contribution to public service performance at the organizational level (for example Johnsen, 2016; Poister, Pasha, & Edwards, 2013). A recent meta-analysis (incorporating evidence from almost 9,000 public and private sector organizations) has now shown that strategic planning 'works' (George, Walker, & Monster, 2019). This analysis suggested that, on average, strategic planning (when formal and comprehensive) has a positive impact on organizational performance; and this impact becomes particularly potent when organizational performance is measured as an organization's ability to achieve its goals (i.e. effectiveness) (George et al., 2019). It is noteworthy that George et al.'s meta-analysis identified the importance of strategic planning being formal as well as comprehensive.

Nevertheless, there is still much more to be done to verify the effectiveness of strategic planning in the public sector and to understand the conditions in which strategic planning is most effective. A survey of strategic planning by cities in the USA underlined the variability of strategic planning's effectiveness with the following statistical findings: survey respondents were mostly satisfied with the results being achieved by strategic planning and more than two-fifths of the strategic goals were being achieved (Poister & Streib, 2005). This offers a good starting assumption for research into strategic planning in the public sector—strategic planning may not be successful in respect of

all the goals set, but it will successfully deliver a substantial proportion of them.

Despite the empirical evidence about the extent and results of strategic planning in the public sector, there is an opinion among some academic writers that formal strategic planning is a wrong-headed idea. Foremost among these writers is Henry Mintzberg. In 1994, Mintzberg fired his strongest broadside against all formal strategic planning when he proclaimed that strategic planning had fallen off its pedestal (Mintzberg, 1994). He said this about all strategic planning, wherever and however it was carried out; but presumably he was mainly thinking about the private sector and not specifically the public sector. His claim coincided with the rise of resource-based strategic management theory in the private sector management literature and its concepts of core competences and strategic (long-term) industry foresight. To many observers at the time it looked like strategic planning, in admittedly a new form, was surging again in popularity. It was always to be doubted if Mintzberg's critique of formal strategic planning was applicable to the public sector. John Bryson's considered opinion in 2010 was that strategic planning did indeed work in the US public sector and he said that it was because it worked that it had become commonplace. However, he did accept that its results were not always spectacular and were often just modestly satisfactory (Bryson, 2010). Of course, the tenacity of the opinion that formal strategic planning is a wrong idea is not just a matter of the persuasive powers of Mintzberg and others. There are other reasons why some people are still unconvinced by formal strategic planning. Not least as a reason is the material fact that it does not always succeed and, when it fails, it may disappoint those who had put their faith in it.

Undoubted complexity in practice

In the face of the undoubted complexity of the immediate reality of strategic planning, there is often a temptation to make thinking about it very simple. Sometimes this means representing reality by a decision flow diagram (Joyce, 2015, pp. 7–8), often containing more or less the same steps and the same tools regardless of the context. Sometimes this means devising a conceptual/theoretical framework in which strategic planning is one invariant thing. This view is not realistic, as most practitioners realize (Bryson, Crosby, & Bryson, 2009). We believe that strategic planning is not one invariant thing but is an approach to deliberate strategy formulation that can vary in terms of who is involved (i.e. practitioners), what the underlying process actually looks like (i.e. practices) and which strategy tools are employed (i.e. praxis) (see George & Desmidt, 2014). Moreover, like

any managerial approach, strategic planning is highly contingent upon its context, which includes the characteristics of public sector organizations that are implementing strategic planning, the institutional environment in which public sector organizations 'do' strategic planning, the type of client served by public sector organizations and whether strategic planning is linked to broader strategy implementation activities (Poister, Pitts, & Edwards, 2010). So strategic planning exists in many different shapes and forms—some effective and some less so, and one needs to think strategically about how strategic planning can be made most adequate for the context and issue at hand.

Introducing the contributions

In this PMM theme editorial, we define strategic planning as an approach to deliberate strategy formulation in public sector organizations that has the aim of achieving important goals and creating public value (Bryson & George, 2020). In other words, practitioners are 'doing' some form of strategic planning whenever they are deliberately formulating strategies aimed at goal achievement and public value creation—and how they do it is what truly matters. This definition must be seen as a conceptual construction that has to be related to specific real conditions and contexts. We think the seven contributions in this theme really demonstrate the great variability of conditions and contexts, as well as meanings, of strategic planning. Three of the contributions draw our attention to what goes on within and between public sector organizations: one is a study of English hospitals (Begkos, Llewellyn, & Walshe, 2020), another looks at Norwegian municipalities (Jacobsen & Johnsen, 2020), and a third is a Dutch study offering network governance insights (Klijn & Koppenjan, 2020). Two of the studies draw our attention to supra-national public governance and national public governance contexts: these are a study of a budgetary reform by the Lithuanian government designed to build a stronger link between government priorities and its strategic plans (Nakrošis, Šiugždinienė, & Antanaitė, 2020), and a study of the implementation of the Europe 2020 Strategy (Drumaux & Joyce, 2020). In addition, two important studies bring strategic implementation into clear focus: these are a study of the Welsh education system (Kools & George, 2020) and a study of Scottish government (Elliott, 2020).

Intra- and inter-organizational studies

Begkos et al. (2020) draw on data from 38 semi-structured interviews in four English public hospitals to investigate the effectiveness of strategic planning. The study highlights an important concern: What

happens in strategic planning which is conducted at lower levels of the organization? They find that strategic planning at lower levels focuses on the narrow pursuit of service line profitability as opposed to focusing on patient care, cost control and the financial viability of the hospital as a whole. What is missing in such situations is alignment with strategic plans formulated at higher levels of the organization—which we label as ‘strategic vertical alignment’. The failure to ensure such alignment is indicative of the very frequently observed problem of silo working. Jacobsen and Johnsen (2020), in their quantitative study of 173 Norwegian municipalities, find that many municipalities struggle when it comes to aligning structures and strategies. They suggest that when strategies and structures are indeed aligned, strategic planning has a stronger positive impact on the organization. We label this type of alignment as ‘strategic horizontal alignment’. Klijn and Koppenjan (2020), in their debate article, point out that the public strategic planning literature and the network governance literature have, mostly, existed in parallel to each other without any formal engagement. If the strategic planning of a single organization is carried out so that the resultant plan is not only directed to its own future success but also supports a co-ordinated and collaborative relationship with network partners, we label this type of alignment as ‘strategic network governance alignment’.

Public governance contexts

A core characteristic of strategic planning in public sector organizations, which distinguishes it from the private sector, is the nature of the public governance context in which practitioners (political and managerial) do strategic planning. The significance of this is the need to pay attention to politics, politicians, and the public when trying to understand the situation and events of public sector strategic planning. Drumaux and Joyce (2020) analyse the strategic plans of the directorates-general (DGs) of the European Commission to identify whether these plans are indeed focusing on the implementation of the Europe 2020 strategy. They find, in effect, that there was an interaction between strategic planning and politics which was partly a search for government effectiveness and partly a search for democratic legitimacy. Nakrošis et al. (2020) provide a case study of the Lithuanian government and probe the effect of budget reform to increase the influence that political priorities of government have on strategic planning. We label this type of alignment as ‘strategic public governance alignment’ (i.e. strategic plans within an organization are aligned with the government long-term visions and priorities set by elected politicians in the authorizing structure).

Strategic planning implementation

Elliott (2020) draws on 11 elite interviews with current and former civil servants within the Scottish government to inform a case study of the Scottish Approach to Public Services (a government-wide strategic plan). He finds that organizational structures and political support are important—but he also concludes that leadership is a crucial success factor. It appears that it was the government of Scotland’s extensive commitment to leadership development, linked to their overall strategic plan, that helped it achieve successful plan implementation. Kools and George (2020) add organizational learning as a crucial success factor. They explain that strategy implementation has typically focused on a rather narrow form of performance measurement, with mixed and contradictory results. They thus argue that strategic planning is particularly effective in organizations that are also strongly engaged in organizational learning. Indeed, organizational learning ensures a deeper understanding of why strategies are being successfully implemented or fail to achieve their purpose, as well as allowing strategic planning to be dynamic and adaptable based on changes in the environment. They provide evidence from the Welsh education system and show that Welsh schools that had become learning organizations were also more responsive to their internal and external environment, thus helping to make strategic planning not a one-off activity but, rather, a dynamic process. These two last contributions can be seen as pointing to another dimension of alignment, which we label ‘strategic implementation alignment’ and define as aligning implementation activities (for example leadership and organizational learning) with strategic plans.

A concluding hypothesis

This PMM theme set out to answer the question: How and why can strategic planning be (in)effective within a specific public context? What we observe in the research presented in the contributions to the theme suggests to us a hypothesis: the desire for greater effectiveness leads governments and public sector organizations generally to strive for greater integration and co-ordination of their actions and this is sought by means of the work of bringing about various forms of alignment. So, strategic planning needs to be aligned with its public governance context (i.e. strategic public governance alignment) and its networks (i.e. strategic network governance alignment), as well as being aligned with departmental plans (i.e. strategic vertical alignment), organizational structures (i.e. strategic horizontal alignment), and strategy implementation activities (i.e. strategic implementation alignment).

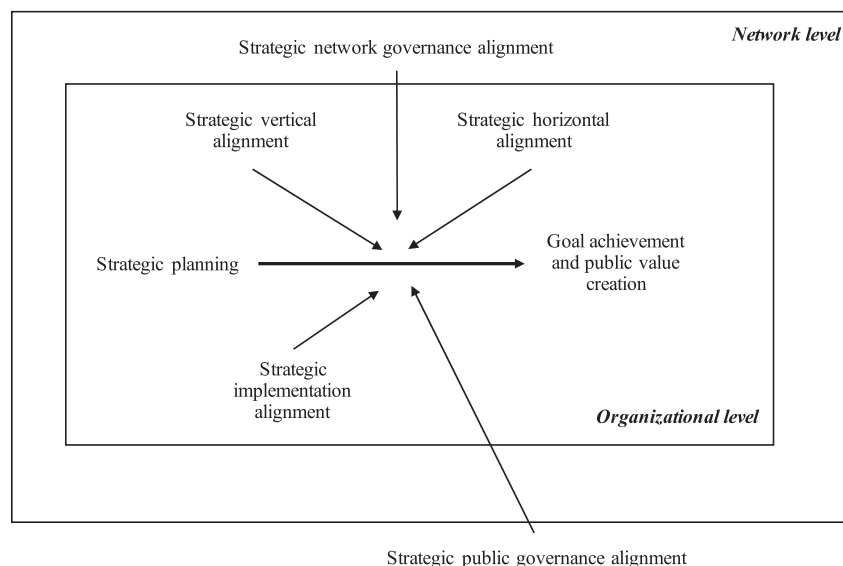


Figure 1. Making strategic planning work—a strategic alignment model.

Figure 1 illustrates the dimensions of integration through alignment that appear to be critical for strategic planning effectiveness in practice.

The research in this PMM theme, in our opinion, points to one of the reasons why, in the 1990s, ‘governance’ began to displace New Public Management as an intellectual construction through which to make sense of the public sector. Whereas New Public Management had the effect of dividing and separating parts of the public sector in the drive for management efficiency (for example increasing the use of outsourcing, imposing compulsory competitive tendering, and creating executive agencies out of government ministries), public governance and public sector management from the 1990s onwards was searching for more integration, more alignment, and more partnership working to achieve greater effectiveness in delivering public value. A strategically-aligned strategic planning process can—we hypothesize—help in achieving such integration, alignment and partnership in and between public sector organizations and their broader governance environment.

Disclosure statement

No potential conflict of interest was reported by the author(s).

References

- Begkos, C., Llewellyn, S., & Walshe, K. (2020). How do medical managers in English hospitals strategize? A strategy-as-practice perspective. *Public Money & Management* (in the same issue as this editorial, DOI will need to be added when article published).
- Bryson, J. M. (2010). The future of public and nonprofit strategic planning in the USA. *Public Administration Review*, 70(S1), S255–S267. doi:10.1111/j.1540-6210.2010.02285.x
- Bryson, J. M., Crosby, B. C., & Bryson, J. K. (2009). Understanding strategic planning and the formulation and implementation of strategic plans as a way of knowing: The contributions of actor-network theory. *International Public Management Journal*, 12(2), 172–207. doi:10.1080/10967490902873473
- Bryson, J. M., & George, B. (2020). *Strategic management in public administration*. Oxford Encyclopedia of Public Administration.
- Drumaux, A., & Joyce, P. (2020). New development: Implementing and evaluating government strategic plans—the Europe 2020 Strategy. *Public Money & Management* (in the same issue as this editorial, DOI will need to be added when article published).
- Elliott, I. C. (2020). The implementation of a strategic state in a small country setting—the case of the ‘Scottish Approach’. *Public Money & Management*. doi:10.1080/09540962.2020.1714206
- Flynn, N., & Talbot, C. (1996). Strategy and strategists in UK local government. *The Journal of Management Development*, 15(2), 24–38. doi:10.1108/02621719610109186
- George, B., & Desmidt, S. (2014). A state of research on strategic management in the public sector: An analysis of the empirical evidence. In P. Joyce & A. Drumaux (Eds.), *Strategic management in public organizations: European practices and perspectives*. Routledge.
- George, B., Walker, R. M., & Monster, J. (2019). Does strategic planning improve organizational performance? A meta-analysis. *Public Administration Review*, Forthcoming (accepted for publication).
- Hammerschmid, G., Van de Walle, S., Andrews, R., Bezes, P., Gomitz, A., Oprisor, A., & Stimac, V. (2013). Public administration reform in Europe - Views and experiences from senior executives in 10 countries. WP3 Cross-national Report as part of the COCOPS Research Project. Retrieved August 11, 2019, from <http://www.cocops.eu/wp-content/uploads/2013/09/WP3-Comparative-Report.pdf>.
- Jacobsen, D. A., & Johnsen, Å. (2020). Alignment of strategy and structure in local government. *Public Money & Management*. doi:10.1080/09540962.2020.1715093

- Johnsen, Å. (2016). Strategic planning and management in local government in Norway: Status after three decades. *Scandinavian Political Studies*, 39(4), 333–365. doi:10.1111/1467-9477.12077
- Joyce, P. (2015). *Strategic management in the public sector*. London: Routledge.
- Klijn, E. H., & Koppenjan, J. (2020). Debate: Strategic planning after the governance revolution. *Public Money & Management*. doi:10.1080/09540962.2020.1715097.
- Kools, M., & George, B. (2020). Debate: The learning organization—a key construct linking strategic planning and strategic management. *Public Money & Management* (in the same issue as this editorial, DOI will need to be added when article published).
- Mintzberg, H. (1994). The fall and rise of strategic planning. *Harvard Business Review*, 72(1), 107–114.
- Nakrošis, V., Šiugždinienė, J., & Antanaitė, I. (2020). New development: Between politics and strategic planning: The management of government priorities in Lithuania. *Public Money & Management*. doi:10.1080/09540962.2020.1715096
- OECD. (2013). *Strategic insights from the public governance reviews: Update. GOV / PGC (2013) 4, Public governance and territorial development directorate. Public governance committee*. Paris: OECD.
- Poister, T. H., Pasha, O. Q., & Edwards, L. H. (2013). Does performance management lead to better outcomes? Evidence from the U.S. public transit industry. *Public Administration Review*, 73(4), 625–636. doi:10.1111/puar.12076
- Poister, T. H., Pitts, D. W., & Edwards, L. H. (2010). Strategic management research in the public sector: A review, synthesis, and future directions. *The American Review of Public Administration*, 40(5), 522–545. doi:10.1177/0275074010370617
- Poister, T. H., & Streib, G. D. (2005). Elements of strategic planning and management in municipal government: Status after two decades. *Public Administration Review*, 65(1), 45–56. doi:10.1111/j.1540-6210.2005.00429.x